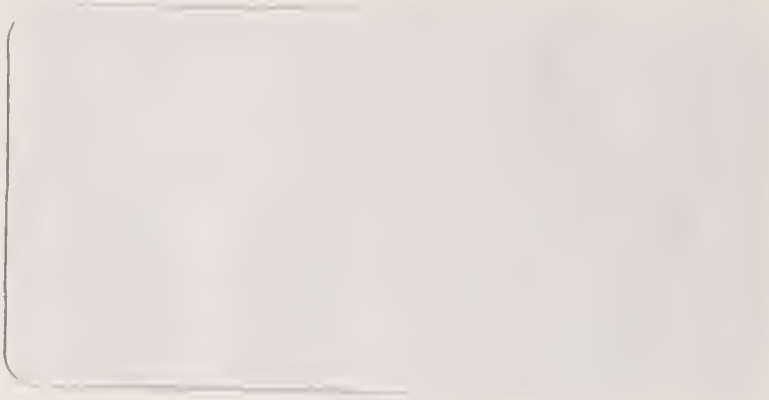
Canadian Agriculture and Agri-Food

Exporter's Guide to Opportunities in the Middle East: LEBANON

382.097105692
C212
1997
c.3

Agriculture and Agri-Food Canada | Agriculture et Agroalimentaire Canada

Canada



CANADIAN AGRICULTURE LIBRARY
AGRICULTURE AND AGRI-FOOD CANADA
CENTRAL LIBRARY
BIBLIOTHÈQUE CENTRALE
EDIFICE SIR JOHN CARLING BLDG.
OTTAWA, ONTARIO
CANADA K1A 0C5
BIBLIOTHÈQUE CANADIENNE DE L'AGRICULTURE

Canadian Business Develoment International
Presents:

Canadian Agriculture and Agri-Food
Exporter's Guide to Opportunities
in the Middle East:

LEBANON

OTHER AVAILABLE COUNTRIES IN THE STUDY

United Arab Emirates
Bahrain
Saudi Arabia
Kuwait
Qatar

Oman
Jordan
Syria
Yemen

Canadian Business Development International (CBDI) has been contracted by the Market Industry Services Branch of Agriculture and Agri-Food Canada to provide an overview of the export opportunities and general guidelines for Canadian exporters of agriculture and agri-food products in the following 10 countries in the Middle East:

1) Saudi Arabia	2) United Arab Emirates
3) Bahrain	4) Kuwait
5) Oman	6) Qatar
7) Jordan	8) Lebanon
9) Syria	10)Yemen

The studies of the other nine countries are available from Agriculture and Agri-Food Canada. All reports are available in English and French.

The study is a collection of the best available government and private sector information from Canada and abroad. It is designed to provide the reader with a fully compiled and referenced single source for all of this material as well as a detailed analysis of secondary import and export statistics provided by Statistics Canada and the World Trade Database.

The information contained in this document has been reviewed by trade and commodity experts at Agriculture and Agri-Food Canada, Department of Foreign Affairs and International Trade, and Canada's posts in the countries, and has met with their approval.

For a comprehensive list of the sources used by CBDI and a directory of contacts for further information please see the Bibliographical Index and Contact Information sections at the end of the report.

EXECUTIVE SUMMARY

INTRODUCTION:

The Agriculture and Agri-Food Exporter's Guide to Opportunities in the Middle East is designed to provide the reader with a single source reference manual on the key elements and opportunities for exporting to ten countries in the Middle East. It is intended for use by Canadian agri-food exporters. Trade Commissioners and other government officials will also find it a useful source document for information requests.

This study is in a modular format, such that each country profile can act as stand-alone documents, detailing the relevant information for potential Canadian exporters.

The statistical data included in this document has been provided by Statistics Canada (for Canadian exports) and the World Trade Database (for country imports). Due to the time and recording differentials inherent in the two databases, Canadian export statistics are provided in Canadian dollars, up to 1995; whereas country import statistics are only available in US dollars up to 1994. This standard is consistent throughout the document.

POTENTIAL OPPORTUNITIES:

The Middle East is generally an arid region with limited land available for agricultural production. Irrigation methods are used, however, countries (specifically Saudi Arabia) are finding it more difficult to drill for fresh and usable water, resulting in a further reduction of productive capabilities. As such, the region tends to import a large amount of agriculture and agri-food products to support consumption demands. These imports range from US$140 million (Qatar in 1994) to US$4.1 billion (Saudi Arabia in 1994). Thus it is clear that the Middle East offers immense potential for Canadian agri-food exporters.

Key opportunities include:

- **Processed Food and Products:** ***(HIGH)*** There are extensive opportunities for value-added products in all ten countries covered by this study, however, Saudi Arabia, the UAE and Kuwait offer the best potential for growth.
- **Special Crops:** ***(HIGH)*** Canadian exports of special crops to the region have been increasing steadily over the past several years, with new opportunities emerging in chick peas and other pulses. Key markets are: the UAE, Saudi Arabia, Kuwait, and Syria.
- **Beverages:** ***(HIGH)*** Since most countries in the Middle East are predominantly Muslim, there is a high demand for non-alcoholic beverages. Canadian fruit and vegetable juices, carbonated flavoured water, and mineral water have the potential to do very well in the region. Bahrain, and the UAE in particular, offer a great deal of potential for alcoholic beverages as well.
- **Grains and Oilseeds:** ***(HIGH)*** Although Canadian exports of grains and oilseeds have tended to be either erratic or declining, there are significant opportunities for barley, wheat, canola oil and niche products in many countries, most notably Saudi Arabia and the UAE.
- **Eggs and Poultry:** ***(MEDIUM)*** There are promising opportunities for egg-type and broiler-type breeding chicks in Saudi Arabia, the UAE, Bahrain, and Yemen. As well, since pork is not consumed in most of the countries, poultry meat is generally a staple.
- **Livestock and Other Animal Products:** ***(MEDIUM)*** Despite rigorous import regulations, the Middle East is a large import market for live animals and meat products. Strong potential exists in the UAE, Saudi Arabia, Jordan, and Syria.

GENERAL CONSTRAINTS:

Many North American's perceive the Middle East to be too complicated a market to enter, despite the significant opportunities that await determined exporters. Although there are very real constraints to dealing with the Middle East, they are easily overcome with the right approach. Some of the more notable difficulties include:

- **Transportation Costs:** Due to the long distances, there are considerable costs involved in exporting goods to the Middle East. Furthermore, containerization is often a problem. Since Canada does not import enough products that require refrigerated or ventilated containers, exporters often find it costly to bring these specialized containers up from the US.
  - *Although these are real constraints, Canadian exporters may consider consolidating shipments to the Middle East to reduce costs and avoid partially empty containers from increasing shipping costs.*

- **Language and Cultural Barriers:** Unlike exporting to the US or Europe, the Middle East is a dramatically different environment in which to operate. There are very specific ways to conduct business which may seem foreign to many Canadian exporters.
  - *These barriers are easily overcome with frequent visits to the region. Also important is the selection of a good agent who can bridge the gap in culture and language for the exporter*

- **Strict Regulations:** The Middle East has a number of regulations that make exporting to the region complex and cumbersome. Most notably are the strict halal requirements for animal products and bilingual (and other) labelling requirements and production and expiry dates for all goods.
  - *The Canadian embassies in the region can help exporters understand and comply with these regulations, as well as assist in the selection of a good agent who will also help. This document also explains a number of the requirements for exporting to the region.*

It should also be noted that Canadian producers have an inherent advantage in meeting the labelling demands of the region, since they are already accustomed to printing bilingual labels for domestic use.

MARKETING TIPS:

Below are some suggestions for marketing Canadian products to the Middle East:

- If possible, visit the region. Face-to-face contact can be the difference between marketing success and failure. Bring product samples (where applicable) and be prepared to discuss price.
- Consider participating in major food shows in the area; for example, the Gulf Food Show in Dubai, UAE is an excellent way to meet potential customers from throughout the region and beyond.
- Eye-catching designs, logos, and colours that identify the product as Canadian may boost sales.
- Be ready to assist with shipping. If necessary, be ready to recommend a shipping company or directly arrange shipment and provide shipping costs.
- Be prepared to discuss marketing and advertising strategies. Gulf importers, in particular, are increasingly looking for advertising advice and assistance, especially with new-to-market products.
- Be aware that many importers will request exclusive agency agreements with suppliers. In many cases, local laws make it difficult to terminate an agency agreement, even with due cause. Thus selecting a good agent is particularly important.

REGIONAL INFORMATION

MARKETING:

The Middle East is a dynamic and diverse region with differences in the way business is conducted both within and between the various countries. However, there are some general rules for marketing products in the region.

- Face to face contact can significantly increase the chances of establishing successful business relations.
- Maintaining that relationship through frequent communications is equally important for success.
- The countries in the region are mostly cash markets, with substantial revenues from oil resources.
- Many of the countries have young populations, implying higher disposable income and expected growth in the future.
- The Gulf countries in particular have highly advanced agriculture and agri-food markets that tend to be very price competitive.
- The region has a strong knowledge and growing desire for Western products.

Key points to stress when selling products are:

- competitive price;
- Canadian origin; and
- the high-quality of the products.

Considerable emphasis should be placed on the role of these countries as possible markets for re-export of Canadian products. The port of Dubai in the United Arab Emirates (UAE) in particular, is a major re-export market, serving markets in other Gulf countries, Pakistan, Iran, and countries of the former Soviet Union (FSU). The Dubai World Trade Centre reported that Dubai imports approximately 70% of the UAE's consumable items, worth US$1.9 billion per year. Around 70% of these imports are then re-exported. Approximately 20% of these re-exported goods go to Iran, which is Dubai's largest re-export market. Dubai's re-exports to FSU countries were US$405 million in 1995, 27% of which was comprised of agricultural and agri-food products (not including equipment and chemical fertilizers). Azerbaijan is the leading market in the FSU for these re-exported goods.

Each country has specific, and often complex marketing regulations, such as labelling requirements and best before dates, that potential Canadian exporters should examine carefully before bringing their products to the region. For example, in Bahrain, baby food has an 18 month expiry period compared with a 12 month period in the UAE or Saudi Arabia. This example serves to highlight the importance of verifying each country's regulations before any sales are made. The Trade Annex that accompanies each country profile provides the details of many of these regulations.

It is strongly recommended by Migra's Canadian Exporters Guide (1995) that the term "**Persian Gulf**" should not be used on goods, documents, or letters for some destinations in this region. Anything so marked might be confiscated and destroyed by the Arab authorities. The term "**Arabian Gulf**" should be used.

PRICING:

Generally, it is recognized that shipping adds considerably to the cost of items manufactured in Canada, which can face stiff competition from Far Eastern and European suppliers. Thus pricing of products, particularly processed or semi-processed foods and beverages is particularly important. Many of the countries in the region are very price competitive markets, however, high Canadian quality goes a long way.

Moreover, exporters should consider the option of consolidating shipments of various products in order to reduce the burden of transportation costs, thereby making products more price competitive when they reach the markets.

Some of the countries in the region have strict policies with respect to pricing, while others have general norms that are followed by most exporters. Pricing policies are listed in the Annexes for each country.

RESTRICTED IMPORTS:
All imported beef and poultry products require a health certificate from the country of origin and a halal slaughter certificate issued by an approved Islamic centre in the country of origin ("halal" slaughter refers to animal slaughter performed according to Islamic law).

TRADE ARRANGEMENTS:
Gulf Cooperation Council (GCC):
The Gulf Cooperation Council (GCC) consists of six member countries (Saudi Arabia, the United Arab Emirates, Kuwait, Bahrain, Qatar, and Oman). The GCC controls half of the proven oil reserves outside the former Soviet Union, and accounts for about 40% of all the oil moving in international trade. Created in 1981, the GCC tried to maintain the balance of power in the Gulf by strengthening multilateral cooperation in security and economic matters. The presidency of the GCC rotates yearly among the rulers of the member countries. The GCC is headquartered in Riyadh, Saudi Arabia.

As far as trade is concerned, the GCC is a loose confederation which serves only as a policy-coordinating forum for its members. It cannot impose trade policies upon its member states, thus each is free to pass and enforce its own trade laws.

In recent years there has been growing cooperation among GCC members on certain issues, such as:
- ♦ establishing standards;
- ♦ setting tariff ranges; and
- ♦ intellectual property protection.

There is also consideration being given to forming a customs union. Renewed work on a free trade area between the GCC and the EU is also pushing the six member states to closer coordination.

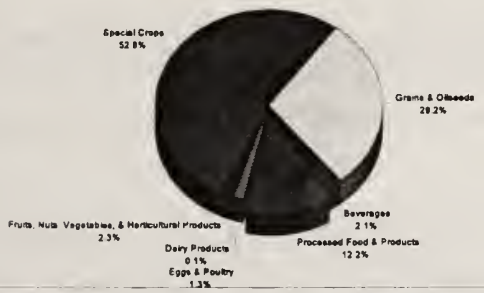
Arab Cooperation Council (ACC):
Jordan, Yemen, Egypt, and Iraq signed an agreement in February 1989, joining the countries in a new Arab economic bloc called the Arab Cooperation Council (ACC). The new community was designed to create a common market and encourage investment in joint projects. The goals of the association are to achieve economic integration in all production centres and coordinate the many areas including the economy, residence, travel, finance, industry, agriculture, transport, and communications.

Arab League Boycott of Israel
In 1994, the Arab League boycott of Israel was partially lifted. The original boycott was initiated in 1959 and stated that all products coming directly from Israel, through Israel, or containing inputs from Israel were banned from all Arab League countries. Moreover, trade with countries that also traded with Israel was restricted. The 1994 partial alleviation of the ban left only the primary ban on Israeli products intact.

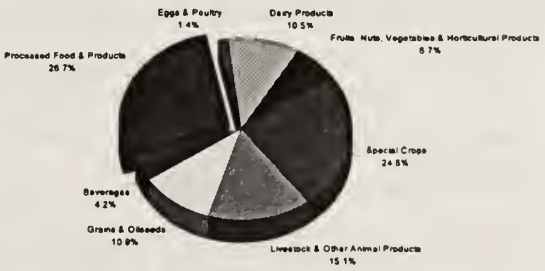
LEBANON

Official Name	Republic of Lebanon
Head of State	President Elias Hrawi
Minister of Agriculture	Chawki Fakhoury
Language	Arabic and French (Official), Armenian and English
Population (1995)	3.7 million
Currency	Lebanese Pound (LL)
Real GDP Growth (1995)	6.5%
Gross Domestic Product (1995 Per Capita)	$4,360
Consumer Price Inflation (1995)	17%
External Debt (1995)	$4 billion
Principle Growth Sectors	Telecommunications, Construction, Tourism
Total Country Exports (1995)	$1.2 billion
Total Country Imports (1995)	$7 billion
Agri-Food Imports from the World (1994)	US$958.7 million
Agri-Food Imports from Canada (1995)	CDN$6.3 million

Canada's Agricultural Exports to Lebanon 1995



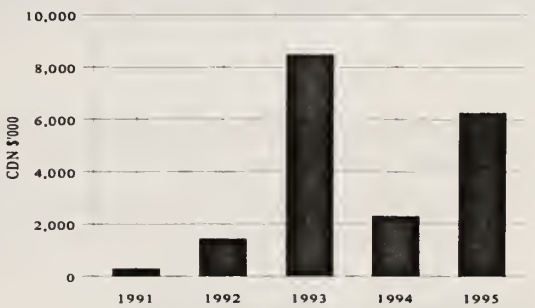
Lebanon's Agricultural Imports 1994



CANADA'S AGRICULTURAL EXPORTS TO LEBANON

StatsCan : IN CDN $'000	1991	1992	1993	1994	1995
Grains & Oilseeds	113	649	7,750	320	1,880
Livestock & Animal Products	13	47	15	113	0
Special Crops	22	469	491	1,379	3,390
Fruits, Nuts, & Vegetables	0	52	0	34	147
Dairy Products	101	0	1	2	7
Eggs & Poultry	0	0	37	16	85
Processed Food and Products	100	61	226	478	785
Beverages	19	12	20	115	132
TOTAL EXPORTS	306	1,441	8,493	2,306	6,257

Canada's Agricultural Exports to Lebanon 1991 - 1995

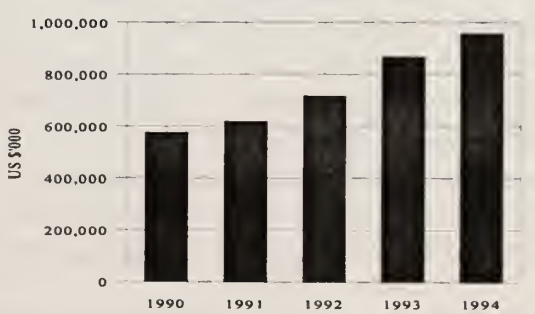


* Import and export totals may not match the sum of the commodities due to grouping and rounding procedures.

LEBANON'S TOTAL AGRICULTURAL IMPORTS

WTDB : IN US $'000	1990	1991	1992	1993	1994
Grains & Oilseeds	87,108	114,692	100,403	121,141	104,818
Livestock & Animal Products	32,299	34,951	60,949	131,793	144,387
Special Crops	76,071	95,125	223,034	206,200	234,593
Fruits, Nuts, & Vegetables	122,743	36,833	38,445	53,410	64,504
Dairy Products	55,866	55,909	61,422	96,010	100,892
Eggs & Poultry	8,670	9,642	9,808	13,419	13,358
Processed Food and Products	167,538	228,059	191,405	209,247	256,108
Beverages	26,576	46,181	33,475	37,300	40,039
TOTAL IMPORTS	576,871	621,392	718,941	868,520	958,699

Lebanon's Agricultural Imports From the World 1990 - 1995



LEBANON

BACKGROUND INFORMATION

Political Economy:

Lebanon is a small country with a total area of 10,400 km^2 and a population of nearly 3.7 million. Since 1975, Lebanon's economic life has been defined by the violence and destruction incurred by the civil war, the Israeli invasion in southern Lebanon in 1978, and all the way to Beirut in 1982. The services sector interests were relocated overseas and the industrial and agricultural infrastructure was devastated, in particular after the 1982 Israeli invasion and the siege of Beirut.

Lebanon used to be considered the Switzerland of the Middle East, acting as a centre for trade and commerce in the region and boasting advanced transportation and telecommunications. However, the Lebanese economy still feels the distortions of the war and the infrastructure networks have been all but destroyed.

Agriculture in Lebanon:

One-third of Lebanon's land is cultivable and the primary agricultural areas are along the coast and the Bekaa Valley. Lebanon has long been a fruit and vegetable exporter to other Arab states such as Syria, Saudi Arabia, Jordan, Kuwait, and Iraq. Other crops include olives, sugar cane and beet, potatoes, wheat, tobacco, and barley.

The war disrupted agricultural production and the Israeli invasions of 1978 and 1982 had a devastating effect on cultivation particularly in the south and the Bekaa Valley. The 1983 ban on Lebanese products to prevent Israeli goods that had flooded the market from entering Arab countries via Lebanon, hit the agricultural sector hard. This ban has since been lifted. In recent years, the agricultural export subsector has performed well due to the depreciation of the Lebanese pound and has accounted for approximately 20% of total exports.

Food processing (mainly for fruits and vegetables) has been a major part of Lebanon's agriculture and agri-food industry, but the war years have taken their toll on this sector. The food processing industry in Lebanon currently requires substantial rebuilding, particularly with respect to its industrial and social aspects. This is a major employment sector that could gain a great deal by receiving investment dollars.

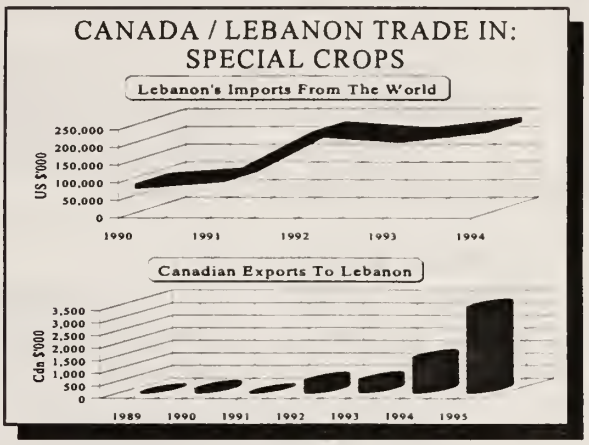
Agricultural Trade in Lebanon:

Lebanon imports considerable amounts of food for such a small country and the diversity of imported food items is impressive. Agri-food imports from the world for 1995, are estimated at 18.5% of total Lebanese imports, or approximately US$1.1 billion, up from US$576 million in 1990 and US$958 million in 1994. Despite a small population, where purchasing power is seriously limited for a large portion of the people, luxury items fare extremely well in Lebanon. Food imports range from basic food categories to the finest foods, wines, and spirits.

Canadian agri-food exports to Lebanon have been erratic over the past several years (reaching their peak in 1993 at $8.5 million), but have increased overall from $1.5 million in 1990 to $6.3 million in 1995.

Lebanon is an open market and few regulations apply. Import licenses are not required, nor is Arabic labelling. The label or container must clearly show the date of production, the date of expiration, and the quantity. Lebanese phytosanitary rules can sometimes be unclear and need to revised as they date from 1963. Tariffs on luxury items range from 50% to 100%, while tariffs on items deemed necessary range from 2% to 5% on average.

EXISTING OPPORTUNITIES:



SPECIAL CROPS

Market Characteristics:

Lebanese imports of special crops have better than tripled since 1990, reaching over US$234 million in 1994, from around US$70 million in 1990.

- Almost all of this growth has come from an increase in the imports of cigarettes, from US$57 million in 1990 to US$227 million in 1994.
- Pulses, on the other hand, have decreased over this period, from US$17.5 million in 1990 to US$6 million in 1994.

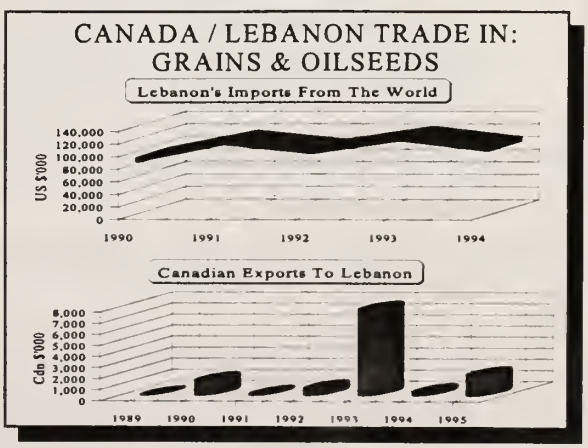
Export Opportunities:

Canadian exports of special crops to Lebanon are exclusively in the form of pulses and seeds for sowing. Canada does not sell tobacco and tobacco products to Lebanon. Canadian exports of pulses have experienced impressive growth since 1990, increasing from $107,000 to $3.4 million in 1995.

- Lentils are the largest component of Canada's pulses exports to Lebanon, accounting for $2.1 million in 1995.
- Split peas exports to Lebanon also experienced impressive growth reaching $750,000 in 1995.
- Canary seed exports increased from $30,000 in 1990 to $140,000 in 1995.

Constraints & Competitors:

Principal competitors in this market include Turkey, the US, and Argentina (pulses), and the US and Cyprus (tobacco products).



GRAINS AND OILSEEDS

Market Characteristics:

Lebanon imported US$104.8 million worth of grains and oilseeds in 1994, up from US$87 million in 1990, although in 1991 and 1993, imports were above US$110 million.

- Lebanese imports of wheat jumped from US$5.8 million in 1990 to almost US$27 million in 1994.
- In oilseeds, soya bean oil is the largest import item, at US$20 million in 1994.

Export Opportunities:

Canadian exports of grains and oilseeds have been sporadic ranging from $1.2 million in 1990 to $7.8 million in 1993, and finally $1.9 million in 1995. The breakdown of these exports is as follows:

- In 1990, Canada only exported hard spring flour ($1.2 million) to Lebanon.
- Most of 1993's exports consisted of durum wheat ($3.2 million) and non-durum wheat ($3.6 million).
- In 1995, Canada exported non-durum wheat ($1.5 million) to Lebanon for the first time since 1993's one-time sale.
- Canadian oilseeds exports to Lebanon have declined since their peak in 1988, where Canada exported $1 million worth of Canola oil to Lebanon. This figure has fallen to $42,000 in 1995. While soybean oil exports picked up in 1992 ($204,000), they have since declined to $0 in 1995.

Constraints & Competitors:

The growth in Lebanon's wheat imports is due in large part to massive increases in sales from the US. Imports from the US increased from nothing in 1990 to over US$18 million in 1994, accounting for over 64% of Lebanon's wheat imports in that year.

- Turkey was the sole supplier of barley to Lebanon in 1992 and 1994, with sales of US$2.8 million and US$4.6 million respectively.
- The EU dominates the soybean oil market in Lebanon, with Spain (US$8.9 million in 1994), Greece (US$3 million), Portugal (US$2.9 million), and Italy (US$2.3 million) acting as the principal suppliers.

PROCESSED FOOD AND PRODUCTS

Market Characteristics:

Imports of processed food and products have increased fairly steadily from US$167 million in 1990 to US$256 million in 1994.

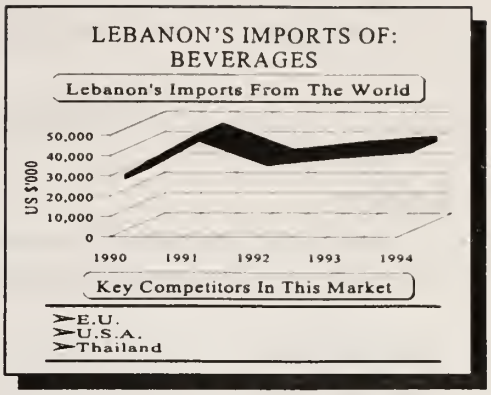
- Imports of bakery products increased from US$14.5 million in 1990 to US$20.5 million in 1994.
- Baby food imports increased from US$4.5 million in 1990 to over US$9 million in 1994.
- Lebanese imports of prepared fruits and vegetables also rose considerably, with fruits rising to US$6.3 million from US$1 million in 1990, while vegetables increased US$2 million to US$7.7 million in 1994.

Export Opportunities:

Canadian exports of processed food and beverages have grown considerably, from $150,000 in 1990, to $729,000 in 1995. Ice cream exports accounted for 75% of this figure at $545,000 in 1995.

Although few Canadian food products are currently available in Lebanon, the growing Lebanese-Canadian community now back in Lebanon could easily lead to an increased demand for specifically Canadian processed food products. Many of these products already benefit from an image of high Canadian quality such as frozen fruits and vegetables, baby food, biscuits and other bakery products, and Canadian honey and syrups.

Constraints & Competitors:
Principal competitors in this market include the US, the EU, Brazil, Singapore, and Turkey.



NEW AND EMERGING OPPORTUNITIES:

BEVERAGES

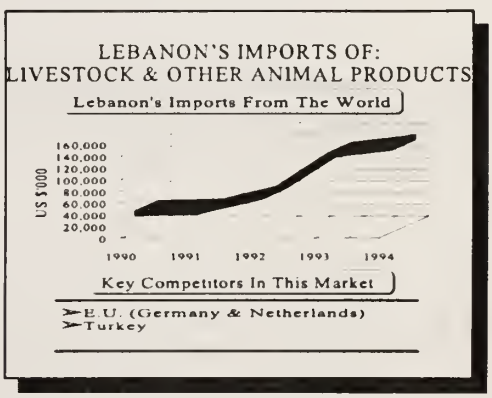
Market Dynamics:
Lebanese imports of beverages grew from US$26 million in 1990 to US$40 million in 1994. The majority of this growth came from increased imports of spirits which almost doubled over this period to US$28 million.

- Imports of fruit and vegetable juices fell from US$3.7 million in 1990 to US$1.9 million in 1994.
- Canadian Exports of beverages to Lebanon increased from $0 in 1990 to $132,000 in 1995, entirely on the strength of non-alcoholic beverages, specifically apple juice, mixed fruit juices, and mineral and other waters.

Increased Lebanese imports and Canada's reputation for high-quality spirits (specifically whiskey) should provide a potential opportunity for Canadian exporters.

Constraints & Competitors:

- The market for fruit and vegetable juices is spread out among four major player and several minor ones. The US, Thailand, Philippines, and Kuwait share 75% of the market evenly.
- The EU is, by far, the largest supplier of alcoholic beverages to Lebanon. France is the single largest supplier of wine to Lebanon with 85% of the market. The Netherlands holds 84% of the beer market with 1994 exports of US$4.5 million. Since 1990, the UK has controlled 90% of the Lebanese market for spirits and liqueurs.



LIVESTOCK & OTHER ANIMAL PRODUCTS

Market Dynamics:
Lebanese imports of livestock and other animal products increased dramatically since 1990 (US$32 million) to US$144 million in 1994. Most of this growth came from imports of live bovine and sheep.

- Imports of live bovine increased from US$13 million in 1990 to almost US$63 million in 1994.
- Live sheep and goats imports also jumped from US$8.5 million in 1990 to US$66 million in 1994.

Lebanon is currently undergoing a restructuring of its dairy and beef herds in an attempt to become self-sufficient. Industry sources assess the potential demand to be between 500 and 1000 heads for commercial dairy animals annually over the next five years. Canada's exports to Lebanon have generally been in rawhides, furs, skins, and leathers, however, there is potential for growth in live animals and genetics under development projects and joint-ventures.

Constraints & Competitors:
Germany and the Netherlands are the principal competitors in the live bovine market, where subsidized EU cattle prices and lower airfreight costs are key issues. Turkey is the principal supplier of live sheep and goats.

ANNEX A: MARKETING INFORMATION

Pricing:

In Lebanon, the Consumer Protection Agency, at the Ministry of Economy, is in charge of controlling prices and validity of consumables. We currently have no further information on the details of this control.

Competition:

Canadian commodities face strong competition from European goods due to the extensive representation of European companies in the Lebanese market. Despite visa restrictions for travelling to Lebanon with a US passport, American products are strong and quite diversified in Lebanon. American companies are represented either by a local, by a dual-citizenship Lebanese-American, or by somebody from another country.

ANNEX B: TRADE REGULATIONS

Import Licensing:

Imports that are prohibited year round include:

- citrus fruits, apples, olives (excluding olives in cans weighing less than 2 kilograms), olive oil, and peanuts.

Import prohibited during a specific period of the year include:

- squash, eggplant, green beans, watermelons, peas, peaches, and apricots.

Imports of certain other agricultural products and all seeds require a license.

Credit and Payment Conditions:

- ***Usual Terms:*** Minimum terms of trade are open account (35% of total trade), but letters of credit are recommended for new customers.

  Banks are obliged to ensure that importers possess a valid import license, if required, before issuing a letter of credit. A prior deposit in a local currency amount equivalent to 15% of the value of import letter of credit must be placed by importers with their banks; such deposits are not required to be deposited by the banks with the Bank of Lebanon.

- ***Transfer Situation:*** Local delays of one month, and foreign exchange delays of up to three months have been reported. Underpinned by strong capital inflows, the state foreign exchange reserves are improving.

Customs Tariff:

Ad valorem duty rates on most products range from 18% to 90% and are applied on a most-favoured-nation basis, except for certain imports from member countries of the European Union and Arab countries that are subject to preferential treatment.

Labelling Requirements:

Lebanon is an open market and few regulations apply. It is one of the few countries in the region where Arabic labelling is not necessary. However, the label or container must clearly show the date of production, the date of expiration, and the quantity. Lebanese phytosanitary rules can sometimes be unclear and need to revised as they date from 1963.

ANNEX C: LOGISTICS

Infrastructure in Lebanon:

Due to several decades of civil war and external conflicts, Lebanon's infrastructure has been severely damaged. However, several reconstruction projects are underway with Joint Venture and Development Projects with the US, Germany, France, and Sweden.

Entry and Warehousing:

Merchandise remaining in customs after 8 days is subject to a variable surtax. Goods may normally remain uncleared for 6 months after which they become liable to confiscation or sale at public auction.

Key Ports of Entry:

Lebanon has five commercial ports: *Beirut, Tripoli, Juniyah, Sidon, and Tyre.*

Free Trade Zones:

There is an extensive free zone area in Beirut. There are facilities for warehousing, including cold storage and cold-storage bonded facilities, at Beirut International Airport. Also, a number of industries have been set up in the free zone and turn out a large number of items (both for Lebanon and for export). There are also free zone facilities in Tripoli.

Importer/Agency Agreements:

The highlights of Lebanon's Commercial Agency Law are as follows:

- Only a Lebanese national carrying on a business in Lebanon may be a commercial agent in Lebanon;
- If the agent is a company, majority ownership must be held in the hands of Lebanese nationals;
- The agency agreement must be in writing, may be for a fixed or indefinite term, and may create an exclusive of non-exclusive agency; and
- To gain legal protection of his rights, an exclusive agent must record the agency agreement in the Commercial Register.

BIBLIOGRAPHICAL INDEX - LEBANON

BACKGROUND INFORMATION:

Department of Foreign Affairs & International Trade

- "Doing Business in the Middle East" (September, 1996)

Agriculture and Agri-Food Canada

- "Agri-Food Overview of the Gulf States" (1996)

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS)

- Attache Reports
- Food Market Report

These information products provide a comprehensive review of the country's agricultural production characteristics, trade policies, and market issues. They are a valuable tool for any exporter in assessing the opportunities for agricultural exports to a given country or region. These reports (and others) can be accessed electronically via the internet at: ***http://ffas.usda.gov/ffas/markres.html.***

United States National Trade Databank

- International Trade Administration - "Country Commercial Guide"

The "Country Commercial Guides" offer the reader a broad analysis of the political/economic make-up of a country as well as a review of the economic trends and outlook for a number of industrial sectors.

EXPORT OPPORTUNITIES:

United States Department of Agriculture - Foreign Agricultural Service (USDA/FAS):

- Attache Reports

Statistics Canada

- Canadian Export Statistics (1988 - 1995)

World Trade Database

- Lebanon's Import Statistics from the World (1990 - 1994)

ANNEXES:

Arab World Online (AWO)

One of the most used sites for this study, Arab World Online is an information source with direct access to virtually every aspect of the Arab world. AWO is a joint-venture between the National U.S.-Arab Chamber of Commerce (NUSACC) and Multitasking Online. This site provides general overviews on all the countries in the Study, as well as detailed marketing, trade, and logistics information. Notably, the **Halal Requirements** section of Annex B is taken directly from this site. It can be accessed via the Internet at: ***http://www.awo.net.***

Arab Net

Arab Net is a web site that compiles a great deal of the relevant country and regional information available on the internet into one, easy to use, site. It can be accessed at: ***http://www.arab.net.***

Dun & Bradstreet Exporter's Encyclopaedia (1995)

This is the single most often cited information product used in the Annexes. It provides a detailed guide to trade and logistical information for all of the countries in the study, as well as a variety of other useful information for exporters interested in the region.

Migra's Canadian Exporter's Guide.

One of the few private sector Canadian sources available, this guide offers some very detailed documentation requirements for the countries in the region.

CONTACT INFORMATION - LEBANON

Ron P. Guirguis, Vice President - Operations
Canadian Business Development International
7a Beverley Avenue, Ottawa, ON, Canada K1Y 1M7
Tel: (613) 729-3552 Fax: (613) 729-5270
E-Mail: rpg_cbdi@netcom.ca

CANADIAN GOVERNMENT

AGRICULTURE AND AGRI-FOOD CANADA - OTTAWA

General Information		Fax: (613) 759-7506	E-Mail
John Smiley	Senior Int'l Marketing Officer	Tel: (613) 759-7632	smileyj@em.agr.ca
Trade Evaluation		Fax: (613) 759-7505	E-Mail
Dr. Jim deGraaf	Deputy Director (TEAD)	Tel: (613) 759-7644	jdegraaf@em.agr.ca
Grains & Oilseeds		Fax: (613) 759-7499	E-Mail
Gerry Umbach	Commodity Officer	Tel: (613) 759-7700	umbachg@em.agr.ca
Food Bureau			E-Mail
Jane Teeter	Acting Asst. Dep. Director	Tel: (613) 759-7619	teeterj@em.agr.ca
Commodity Specialists		Fax: (613) 957-1527	E-Mail
Gilles Lavoie	Director General (AISD)	Tel: (613) 957-3008	lavoieg@em.agr.ca

DEPARTMENT OF FOREIGN AFFAIRS & INTERNATIONAL TRADE - OTTAWA

LEBANON		Fax: (613) 944-7975	E-Mail
Ian Shaw	Trade Commissioner	Tel: (613) 944-2070	n/a

CANADIAN EMBASSY - LEBANON

BEIRUT		Fax: (011-961-1) 521-167
Mario Poirier	Second Commercial Secretary	Tel: (011-961-1) 521-163

LEBANESE GOVERNMENT

Ministry of Economy and Commerce
Rue Artois,
Beirut

For further information of Lebanese Government contacts, we suggest that you contact the Canadian Embassy in Beirut for current addresses and contact information.

INDUSTRY ASSOCIATIONS AND CHAMBERS

Canada - Arab Business Council
Suite 1160, 55 Metcalfe Street,
Ottawa, Ontario, Canada
K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-7643

Beirut Chamber of Commerce and Industry
Ayyas Building,
Albeny Street,
P.O. Box 1801,
Beirut

CAL/BCA OTTAWA K1A 0C5
3 9073 00159843 4

CANADIAN AGRICULTURE LIBRARY
AGRICULTURE AND AGRI-FOOD CANADA
CENTRAL LIBRARY
BIBLIOTHÈQUE CENTRALE
OTTAWA ONTARIO
CANADA K1A 0C5